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Media release

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## Drop Auckland accommodation rate, TIA says

Tourism Industry Aotearoa is calling for Auckland Council to drop the Accommodation Provider Targeted Rate permanently.

In its submission on the Council's Emergency Budget 2020-21, TIA says the COVID-19 pandemic has severely impacted Auckland's accommodation providers.

TIA's Auckland hotel members saw a decline in accommodation revenue of \$75 million in March, April and May 2020 compared to the same three-month period of 2019. When combined with the loss of other revenue, such as food and beverage, conferences and events, it is clear the impact on hotels is catastrophic, TIA Chief Executive Chris Roberts says.

"Overall occupancy was down an average of 43.7% over the same period. The only saving grace is that a number of Auckland hotels are being used for quarantine purposes," he says.

TIA has endorsed the Council's proposal to suspend the APTR from 1 April 2020 until 31 March 2021.

But it also says the Council must not reinstate the rate after that date. TIA has consistently opposed the rate on behalf of the accommodation sector, on the basis that it unfairly targeted accommodation providers who were not the only beneficiaries of visitors to Auckland.

"The benefits of tourism are spread across the entire Auckland economy. The accommodation sector receives just 9% of the visitor spend in Auckland but is being required to fund 50% of Council marketing efforts (through Auckland Tourism, Events and Economic Development) to grow this spend," Mr Roberts says.

The next few months will provide an opportunity to review the targeted rate and come up with better solutions for council funding.

"More than ever, it's important councils do not impose unreasonable costs on businesses, so that they have the best chance of surviving. We need our hoteliers and accommodation providers, who are essential to the tourism industry and to the economy, to be part of the important conversations we'll be having as we begin to rebuild in a post-COVID-19 world."

To read TIA's submission, go to: <https://tia.org.nz/advocacy/submissions/local-government/>

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## KEY FACTS

Prior to the COVID-19 pandemic:

- Tourism in New Zealand was a \$112 million per day industry. Tourism delivered around \$47 million in foreign exchange to the New Zealand economy each day of the year. Domestic tourism contributed another \$65 million in economic activity every day.
- Tourism was New Zealand's biggest export earner, contributing \$17.2 billion or 20.4% of New Zealand's foreign exchange earnings (year ended March 2019).
- 14.4% of the total number of people employed in New Zealand worked directly or indirectly in tourism. That means 393,279 people were working in the visitor economy.
- The [Tourism 2025 & Beyond](#) sustainable growth framework/Kaupapa Whakapakari Tāpoi has a vision of growing a sustainable tourism industry that benefits New Zealanders.

Visit [www.tia.org.nz](http://www.tia.org.nz) for more information

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